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THE FUTURE
OF THE AUSTRALIAN-U.S.
SECURITY RELATIONSHIP

Rod Lyon and William T. Tow
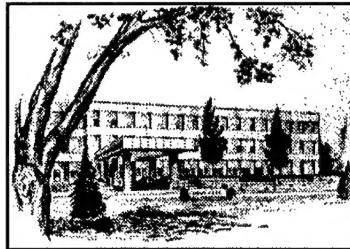
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and
William T. Tow

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FOREWORD

The security partnership with Australia is one of America's most longstanding and important. The two nations have fought many wars together and share a vision of a democratic and stable world. The war on terrorism has elevated the U.S.-Australian partnership to a position of strategic significance unmatched since World War II.

But it is important for the United States to understand the limits of Australian military power and the nature of the political, economic, and strategic challenges that Canberra faces. Like the United States, Australia is in the midst of a military transformation and strategic shift, redefining its position in the Asia Pacific region, and the role that military power, particularly landpower, plays in its strategy.

In this monograph Dr. Rod Lyon and Professor William T. Tow, two of the foremost experts on Australian defense policy, assess the future of the Australian-U.S. security relationship within the context of Canberra's transformation and strategic shift. They conclude that this relationship will remain important and will be strengthened in some ways—interdependence will be central to Australian strategy—but they consider the building of large-scale American military bases in Australia unlikely. The challenge, they note, will be sustaining political support within Australia for this type of relationship.

The Strategic Studies Institute is pleased to offer this groundbreaking monograph to help Army leaders better understand this important security partnership.

DOUGLAS C. LOVELACE, JR.
Director
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SUMMARY

Australia is an increasingly important ally for the United States. It is willing to be part of challenging global missions, and its strong economy and growing self-confidence suggest a more prominent role in both global and regional affairs. Moreover, its government has worked hard to strengthen the link between Canberra and Washington. Political and strategic affinities between the two countries have been reflected in--and complemented by--practiced military interoperability, as the two allies have sustained a pattern of security cooperation in relation to East Timor, Afghanistan and Iraq in the last 4 years.

This growing collaboration between the two countries suggests that a reinvention of the traditional bilateral security relationship is taking place. At the core of this process lies an agreement about the need for engaging in more proactive strategic behavior in the changing global security environment, and a mutual acceptance of looming military and technological interdependence. But this new alliance relationship is already testing the boundaries of bipartisan support for security policy within Australia. Issues of strategic doctrine, defense planning, and procurement are becoming topics of fierce policy debate. Such discussion is likely to be sharpened in the years ahead as Australia's security relationship with the United States settles into a new framework.

THE FUTURE OF THE AUSTRALIAN-U.S. SECURITY RELATIONSHIP

U.S. alliance relations clearly are undergoing major transitions. The Australia/New Zealand/United States (ANZUS) alliance has proven to be no exception. Australian-American ties have reached a new zenith under Australia's Coalition government led by Prime Minister John Howard. Key policymakers in the George W. Bush administration view Australia as one of Washington's most loyal allies.

The real ANZUS story in the post-Cold War era concerns Australia's shift from an increasingly independent regionalism during the mid-1990s to arguably America's second most important global ally (after Britain), and certainly its closest security partner in the Asia-Pacific region.[1] The Howard government has departed from what the respected Australian journalist Paul Kelly has termed the "establishment orthodoxy," built up over a half-century of post-war international relations, which was highlighted by three key policies: (1) a successful engagement with Asia; (2) a constructive role as a multilateralist state; and (3) a lesser dependence on a "great and powerful friend" in favor of defense self-reliance.[2] It has instead pursued a post-1996 calculation that bandwagoning with the United States, as the decisive force in global politics, would best serve Australia's national security and economic interests, reinforcing an Australian cultural identity not always commensurate with Asian societies. That calculation put at risk Australian gambits for inclusion in Asia's increasing institutionalization. The risk has been acceptable to a Howard government that never adhered to a vision of linking Australian foreign policy to East Asian regionalism. September 11, 2001, only strengthened its conviction that aligning more closely with the United States would reinforce Australia's genuine national interests.

The implications of ANZUS future viability in Australia's strategic reorientation are assessed here. Section I details three recent instances of ANZUS strategic collaboration based on perceived mutual interests. Australian-American cooperation in East Timor, Afghanistan, and Iraq has arguably led to the closest

security partnership between the two countries since the ANZUS Treaty was signed in September 1951. Security relations between the United States and New Zealand remain more constrained, based on domestic political sensitivities in the latter country precluding the reinstitution of enduring and extensive defense cooperation. Section I, furthermore, highlights the importance of reconciling ANZUS security objectives with resource allocations at a time when the U.S. strategic posture has shifted from a focus on fighting two major regional conflicts almost simultaneously, to one projecting an unmitigated global posture of preemption and intervention.

Section II focuses on Australia's changing strategic policy under the Howard government. Since September 11, this policy has reflected less idealism and a more "explicit and brutal realism."[3] It has not, however, been an uncontested transition. Advocates of the "self-reliant" or "Defence of Australia" (DOA) posture in effect since 1987 vigorously contested the Howard government's decision to shift toward a stance envisioning a coalition role for Australia in future international crises. The DOA advocates adjusted their own position from primarily supporting continental defense to emphasizing a "regionalist" strategy, a shift that the "global coalition" faction has since sharply criticized. This debate encompassed both domestic political factors and sharp differences among factions in the Australian policy community on how recent U.S. policy affected Australia's overall security interests. This monograph's second section traces this debate and analyzes why the globalists have prevailed. It also offers some warnings (e.g., a change in Australia's political leadership or growing budget deficits) on how Australian and American alliance interests could still diverge.

Section III addresses necessary ramifications for the Australian Defence Force (ADF) engendered by the shift to a "global coalition" strategy. It links issues of mission identification and compatibility, technology transfers, and force interoperability. It focuses on ADF land forces because this sector of Australian defense capability will be most influenced by the prevalence of a "coalition first" strategy. Interviews conducted with key Australian policy professionals revealed that no real consensus exists on how ADF land forces should now be structured. Many civilian and military leaders are

apprehensive that carefully crafted budgetary outlays in the *2000 Defence White Paper* may be jeopardized if the capabilities issue is revisited. But the shift in strategic planning has been so profound since September 11 that some type of land force restructuring is inevitable.

Section IV reviews the interactive issues of how U.S. strategic interests and policies will be affected by Australia's shift in strategic posture, and how Washington's evolving geopolitics in Asia and beyond will shape the future of ANZUS. Coalition warfare, peacekeeping coordination, intelligence sharing, and other forms of land force cooperation must certainly be evaluated in the evolving Australian-American defense relationship. Equally important is the type of senior ally the United States is to be for Australia. Finally, the "New Zealand factor" cannot be ignored for two reasons. First, New Zealand's overall defense capabilities have contracted substantially in recent years, and there is currently little prospect that this trend will be reversed. It is therefore likely that Australia will be expected to assume a greater defense burden in the so-called "arc of crisis" from the Indonesia archipelago across Pacific Melanesia, although New Zealand's force capabilities are being reconstituted to assume light peacekeeping duties in its own neighborhood. A short conclusion offers some recommendations for maximizing benefits for ANZUS in light of today's changing conditions in the Asia-Pacific and the international security environment.

Our basic argument is that the current Australian government's decision to prioritize the strengthening of Australia's alliance with the United States has been fundamentally sound. This bandwagoning approach has yielded dividends that could not be matched by a strategy more oriented toward "balancing" Australia's position in Asia and simultaneous reliance on American security guarantees. The enhancement of Australian-U.S. bilateral defense relations secures a credible U.S. extended deterrence commitment to Australia, indispensable and cost-effective access to American technology, and the prospect of economic and diplomatic payoffs that were previously beyond Australia's reach. The authors argue that Australia's strategic role and influence increasingly are interdependent with American power and capabilities. They

conclude that a unique opportunity exists for the two allies and for their military forces to confront successfully future threats and challenges, both regionally and globally, if Australia and the United States pursue the doctrinal paths recently adopted.

SECTION I: ALLIANCE COOPERATION: RECENT PRECEDENTS

Until September 11, Australia generally supported U.S. strategy directed toward fighting two major theater wars (MTWs) "almost simultaneously," as initially defined by the Pentagon's *1993 Bottom Up Review* and more recently espoused by the Clinton administration's *National Security Strategy of Engagement and Enlargement*.[4] Australia's *2000 Defence White Paper* was explicit in linking ANZUS to that country's prioritization of regional security: "For Australia, continued U.S. engagement will support our defense capabilities and play a central role in maintaining strategic stability in the region."[5] While no longer enjoying formal defense ties with Washington, New Zealand, the other original ANZUS ally, implicitly endorsed Australia's region-centric strategy in its *June 2000 Defence Policy Framework* statement, noting that its main defense interests included meeting shared alliance commitments to Australia regarding obligations in the South Pacific and the "wider Asia-Pacific strategic environment."[6]

Even prior to the terrorist strikes in New York and Washington, however, the U.S. strategic posture was shifting from a region-centric focus to one more in line with confronting asymmetrical threats in a post-Cold War global security environment. In congressional testimony given in March 2000, U.S. Army Chief of Staff General Erik Shinseki argued that the humanitarian intervention operations conducted by the Clinton administration demonstrated that the Army had to:

> . . . transform itself into a full spectrum force capable of dominating at every point on the spectrum of operations. At present, we have heavy forces that have no peer in the world, but they are challenged to deploy rapidly. The Army has the world's finest light infantry, but it lacks adequate lethality, survivability, and mobility once in theater in some

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scenarios. We must change. The Army's Transformation Strategy will result in an Objective Force that is more responsive, deployable, agile, versatile, lethal, survivable, and sustainable than the present force.[7]

Australian force planners, in particular, quickly pursued the implications of this transformation doctrine and the "revolution of military affairs" (RMA) that underscored it. During 1999 and 2000 they conducted a major review to identify a proper "mix" of force structure, information technology exploitation, and joint force integration and interoperability with allied (e.g., U.S.) elements to shorten conflicts and compensate for Australia's relatively small military force in a regional context. While sustaining "defense self-reliance" was still the paramount strategic means identified for securing Australian security, the American alliance affiliation was imposing greater pressure for the ADF to modify its strategy to the extent it could fight in medium-intensity to high-intensity conflicts as part of an international coalition and to achieve greater interoperability with coalition forces.[8]

The East Timor intervention that commenced in September 1999 marked the advent of ANZUS security cooperation in matters pertaining to asymmetric warfare. The Australian-led International Force East Timor (INTERFET) was relatively successful, yet subsequent operations in Afghanistan and Iraq have been tactically proficient but strategically controversial. Several broad lessons for coalition warfare were derived from these collective operations. One is that "information operations" tailored to derive psychological advantage against an opponent were critical.[9] Another was that the rapid deployment of networked combatants was essential in low-intensity conflicts, assigning a premium to strategic lift and close-in fire support capabilities. Nevertheless, future alliance coalitions could still face high-intensity conflicts against capable regional adversaries, challenging both the rationales and credibility of current global coalition strategies. Force readiness and fiscal expenditures will need to be balanced in ways that will allow ANZUS forces to confront a spectrum of diverse conflicts.

In East Timor, Australia contributed 5,500 and New Zealand 1,100 military personnel at the peak of the intervention operation. This was the largest military deployment abroad for each country

since Vietnam and the Korean War, respectively. Together, the Australian-New Zealand contingent represented about four-fifths of INTERFET's early operational capacity and underscored the reality that middle and small powers spearheading humanitarian intervention and peace enforcement operations will be expected to provide major combat forces and deterrence capabilities.[10] Although the United States limited its deployment levels in the peacekeeping force to about 260 military personnel (who provided communications and logistical support) during Operation WARDEN (INTERFET's initial deployment phase), the United States played a key role after its initial reluctance to become involved. A U.S. Navy helicopter carrier, the *Belleau Woods*, carrying 900 marines of the 31st Expeditionary Unit (normally based in Japan) was dispatched to deter Indonesian corvettes shadowing INTERFET forces along the East Timorese coast. The cruiser *USS Mobile Bay* was also stationed in the area, supplementing one British destroyer, four Australian frigates, two New Zealand frigates, and two French frigates as a coalition maritime force.[11] U.S. Secretary of Defense William Cohen underscored this deterrence posture by warning the Indonesian government during a visit to Jakarta that Indonesia had an obligation to facilitate the INTERFET obligation rather than impede it. Other U.S. defense officials simultaneously warned that the 900 Marines "could be called to combat duty on behalf of the besieged East Timorese in an emergency."[12] As the operation gained momentum, elements from Fort Huachuca, Arizona, deployed at both Darwin and Dili (East Timor's capital), established a high-capacity voice and data communications network for the peacekeepers' use. Airborne reconnaissance, the securing of telecommunications, and heavy-lift transportation were all functions assumed by the participating American forces.[13]

INTERFET succeeded because the ANZUS allies, Britain, and France proved that their forces were interoperable during the initial and crucial stages of the intervention. As one New Zealand think tank subsequently observed, such interoperability resulted from "years of shared training [and] exercising, the standardization of doctrine and operating procedures and the operating of compatible equipment."[14] Politically, however, the East Timor episode revealed

that misperceptions of alliance interests and purview could undercut years of military cooperation, if not identified and addressed in a timely fashion. When the East Timorese voted for independence from Indonesia in August 30, 1999, and pro-Indonesian militias stepped up their campaign of violence and terror against local residents, reports surfaced that Australia had pressured the Clinton administration to deploy up to 15,000 Marines as part of an intervention force.[15] Political exigencies in Washington effectively barred any U.S. military commitment of that size. U.S. officials were highly sensitive of the need not to disrupt ties with an increasingly fragile Indonesian government, and the Pentagon was war-weary from its humanitarian intervention in Kosovo. The United States was keen to encourage Australian leadership in East Timor by "putting the onus squarely on its ANZUS allies to tidy up their own back yard."[16] Despite an insistence by Australia's Department of Foreign Affairs and Trade (DFAT) that "a quite remarkable degree of consistency and compatibility" prevailed in discussions over East Timor, speculation in Australia about a new ANZUS crisis intensified until a common strategy was reached following discussions between President Clinton and Prime Minister Howard at the Asia-Pacific Economic Cooperation (APEC) forum heads-of-state summit convened in Auckland during mid-September.[17]

John Howard, in particular, came away from Auckland determined to minimize potential alliance dissension as part of his quest to rebalance Australian ties from Asia to the United States. He perceived this as critical, if for no other reason than to avoid U.S. perceptions that Australia ought to manage future crises in its own neighborhood as part of its long proclaimed defense self-reliance posture. The election of George W. Bush and the events of September 11 (which the Australian Prime Minister witnessed first-hand in Washington, DC) provided him with such an opportunity.

Three days after September 11, Australia invoked Article 4 of the ANZUS Treaty. The Howard government's decision to do so was predicated on the "belief that the attacks have been initiated and coordinated from outside the United States" by the forces of international terrorism.[18] Operation ENDURING FREEDOM commenced less than a month later (October 7, 2001) and eventually

involved 68 countries. The United States provided the bulk of forces and firepower, deploying over 60,000 military personnel in the Central Command (CENTCOM) theater by late February 2002. By early March 2002, 17,000 coalition military personnel from 17 countries were deployed in Southwest Asia. Australia provided about 1,550 troops to the operation, including members of its Special Air Services (SAS) contingent, who were instrumental in providing critical intelligence that prevented remnants of Taliban and al Qaeda elements from re-grouping. New Zealand deployed between 30 and 40 SAS troops to Kabul after Washington reversed its earlier rejection of New Zealand's October 2001 offer to contribute to the operation. More recently, New Zealand has contributed P3 Orion maritime surveillance support for the counterterrorist Maritime Interdiction Operation in the Arabian Sea and Gulf of Oman, and committed 100 military personnel to the provincial Reconstruction Team in Bamian, Afghanistan, to engage in social and political reconstruction. Both ANZUS allies eventually deployed several aircraft, naval elements, and other military hardware to the Afghan campaign or, in New Zealand's case, to interdict hostile shipping in the Persian Gulf.[19] Still, it should be noted that the contributions of each state were made in an independent context, and not as a formal multilateral commitment under ANZUS. A similar pattern characterized force commitments from U.S. allies in Europe. Although NATO invoked Article 6 of the Washington Treaty, American reluctance to conduct operations within NATO's organizational structure meant that forces were contributed by individual states and placed directly under U.S. command.

The Iraq conflict in March-April 2003 was far more divisive than either East Timor or Afghanistan (where humanitarian and anti-terrorism sentiments were strong enough to generate widespread support for military action). As "middle powers" that had traditionally sought United Nations (UN) authorization to resolve international conflicts (e.g., the Korean War and the first Gulf War), both Australia and New Zealand were faced with the hard choice of supporting or opposing American military action against Iraq without UN sanction. Although the Australian electorate was divided on the issue, the Howard government opted to extend strong

support to the United States and to commit its military to fight beside American forces in a second major extra-regional conflict within 18 months. New Zealand's Labor Government publicly opposed U.S. military action, setting back at least temporarily what progress it had made in repairing defense relations by its participation in Operation ENDURING FREEDOM.

Australia instituted Operation FALCONER to supplement U.S. Operation IRAQI FREEDOM designed to remove Saddam Hussein's regime from power and to neutralize any remaining Iraqi weapons of mass destruction (WMD) capability. Australia maintained deployment of two to three frigates and P3C Orions as part of the Maritime Interdiction Force that assumed the specific mission of securing the southern sea approaches to Iraq (especially around the Aw Faw Peninsula, providing naval gunfire support for British land forces and engaging in mine clearing operations) after the advent of hostilities in March 2003. Australia also deployed a squadron of FA-18s to conduct close air support and ground attack missions in southern Iraq, and C-130 transport aircraft to facilitate logistics operations within the theater. It dispatched 150 SAS troops to provide advance intelligence for combat operations and to pinpoint targets for air strikes against Iraqi missiles, installations, and other hostile targets, and also provided additional commandos, helicopters, and an incident response team.[20]

Almost all of the 2000 Australian military personnel involved in Operation FALCONER were either removed or on their way home by May 1, 2003, when President Bush officially declared the end of hostilities. The political dividends reaped by the Howard government as one of the two allies that supported U.S. operations with ground, air, and maritime forces, however, appeared to be significant. Calling Howard a "man of steel" during the Australian Prime Minister's visit to his ranch in Crawford, Texas, during early May 2003, President Bush observed that "Australia came to America's aid in our time of need, and we won't forget that."[21] The Bush administration clearly placed a premium on alliance loyalty. After earlier inviting the derision of critics in his own country and throughout Asia for characterizing Australia's strategic posture as one of a "deputy sheriff" to American global interests, Howard

had emerged as a prescient geopolitical seer, positioned to extract substantial and enduring benefits from the ANZUS affiliation, including the culmination of a wide-ranging bilateral Australia-U.S. free trade agreement by the end of 2003 or early 2004.

By contrast, New Zealand had endangered what minimal strategic ties it still shared with the United States by indulging in ill-considered public diplomacy against the Bush administration over the Iraq war. Prime Minister Clark observed that the conflict would not have happened if Al Gore had won the 2000 American presidential election. Forced to apologize subsequently for this remark, Clark was chagrined by U.S. Trade Representative Robert Zoellick's observation that "there's been some things done recently" that would make a free trade agreement with New Zealand harder to get through the U.S. Congress. Clark's third-ranked minister, Jim Anderton, claimed in response that the United States was adopting an unfair and bullying attitude toward New Zealand reminiscent of the ANZUS nuclear crisis, and noted that "New Zealand's sovereignty is not negotiable." Opposition parties united with some of Clark's own coalition partners in government to urge reconsideration of this stance, since New Zealand's economy depends on world trade and requires access to large U.S. markets. By mid-June 2003, Clark had pledged 60 military engineers to assist in Iraq's reconstruction of roads, bridges, and buildings. The U.S. Ambassador to New Zealand suggested early the following month that relations could be repaired to the point where the countries could once more call each other "allies" without necessarily entering into a pre-1980s type defense relationship.[22] New Zealand's oscillating reactions to successive crises in recent years nevertheless contrasts sharply to the Howard government's consistent posture of supporting U.S. global interests, even if Washington is seen by Canberra at times to reciprocate less than it would like (i.e., in East Timor or on specific trade issues such as agricultural protection).

These episodes of military intervention show that Australia's tangible participation in America's evolving global strategy has yielded substantial policy benefits for the Howard government. Further, they show that U.S.-Australian military cooperation has developed a cadence and predictability that bodes well for

future joint operations. In the short space of 4 years, Australia has transformed its ANZUS relationship from one where Washington viewed Canberra primarily as a "Pacific-centric" ally to a security relationship that is now regarded by the Bush administration as one of the significant components of U.S. global strategy. During a recent visit to Australia, U.S. Deputy Secretary of State Richard Armitage observed that Australia is "increasingly . . . a critical player on the world stage. This is true even if some Australians perhaps are uncomfortable seeing themselves in that particular light." [23]

The recent evolution of what many observers term an "Anglosphere" global coalition reflects this sentiment. The Bush administration has made clear that it puts greater emphasis upon coalitions than upon alliances. Western Cold War alliances are, of course, not otiose. One of their principal benefits is that they usually contain the world's most professional military forces, and those forces will be central to achieving victory in a prolonged campaign against transnational terrorism. But the debate about intervention in Iraq between members of the Western alliances in early 2003 underlined just how uncertain those alliances have become as a long-term guarantee of Western security.

It is sufficient to note here that at a time when many Americans perceive the very survival of their way of life at stake in the Global War on Terrorism (GWOT) and by the challenge of rogue states, Australia has projected the image of timely, if selective, leadership and reliable partnership with the United States in waging that conflict. Cultural and historical affinity has facilitated this image but the substance and style of the Howard government's decisionmaking has been the critical variable in sealing this intensified bond. By contrast, New Zealand's more qualified and uncertain postures have reinforced Washington's already strong disillusionment with New Zealand—the other ANZUS member, but one that remains ostracized from American strategic cooperation due to its tendency to project criticism rather than loyalty and support at critical junctures in contemporary U.S. geopolitics.

SECTION II. ANZUS AND AUSTRALIAN
STRATEGIC POLICY

The ANZUS alliance celebrated its 50th anniversary on September 1, 2001, just days before the terrorist attacks in the United States on September 11. For a succession of Australian governments, the treaty has provided a foundation for Australian security policies. During its initial years, the treaty reassured Australians against the prospect of a revitalized Japan.[24] But it also did much more. It allowed Australia, as a geographic outpost of Western society, to play a meaningful role in Cold War doctrines of containment and in protecting a world order that it perceived as important to its own global interests. It also provided a set of practical benefits for Australian defense planning and force development by enhancing opportunities for military training, defense procurement, and intelligence exchange. For all those reasons, ANZUS has been a core element of Australian strategic planning for decades, even at times when Australia has shaped a philosophy of "defense self-reliance."[25]

Over the years, the treaty has weathered a number of challenges. It was tested most severely in the mid-1980s when New Zealand denied its major ally access to its ports by nuclear-capable warships. That denial provoked a breach in the relationship between Washington and Wellington that has never fully mended. Further, the alliance periodically has attracted criticisms—as have similar arrangements in other Western democracies—from those within Australia who have seen it as a mechanism reinforcing an historical pattern of subservience to "great and powerful friends."[26] Despite such criticisms, in 2003 the ANZUS treaty appears to have reached new heights of relevancy. Some of that relevancy is attributable to a faltering of other alternatives, including ideas about self-reliance. Some is also attributable to a growing sense of insecurity.

Australia's sense of security has been diminished by a string of events over recent years, including:

- the Asian financial crisis of 1997, which brought to an end the Golden Age of Asian collegiality;
- the fall of the Soeharto regime in Indonesia in 1998, bringing

on a series of weak transitional governments in one of the region's key states, and leaving ASEAN leaderless;

- the events in East Timor in 1999, which finally resulted in Australia leading an intervention force into the troubled territory, provoked Indonesian termination of the 1995 Agreement on Maintaining Security, and drove wedges into the Australian-Indonesian relationship;

- the attacks on the United States by Al Qaeda in September 2001, and Australia's subsequent participation in the coalition of the willing for military action against the Taliban and Al Qaeda in Afghanistan;

- the attacks on the Bali nightclubs in October 2002, which killed 88 Australians and brought home to Australians their geographical proximity to the world's most populous Muslim nation;

- the war in Iraq, and the potential for state-sponsored terrorist use of WMD; and,

- the growing instability in the Solomon Islands that underscored the reality of a Pacific "arc of crisis."

Those events have left Australian leaders more uncertain about the durability and scope of their emerging regional security partnerships, and more conscious of the interests they have in a bilateral connection to the world's unipolar power. For Australians more generally, the events have given foreign policy and security issues an immediacy and a directness that they have not had for decades.

Key Alliance Drivers.

In official circles in Canberra, the view is firmly held that the Australian-U.S. security relationship is probably in the best shape in its history. Officials and policy analysts view the relationship in a "new light," citing a range of factors, some global and some domestic. There is Australian agreement with Richard Armitage's previously cited observation that Australia, through its recent

activities, has moved to the first tier of American allies. So too is there agreement that the ANZUS alliance, which during its Cold War days always had a reactive, regional cast, has moved towards being an alliance with global reach and a proactive agenda. Where differences arise is on how Australia should adjust to this sea-change in alliance identity and function.

At the global levels, two factors have been critical in driving this reformulation of ANZUS: the growth of a unipolar international environment, and the events of September 11. Australian policy-makers see the United States comfortably positioned as the global leader. And they judge that the United States will remain the global leader for a protracted period, certainly well into the 21st century.[27] The importance of this judgment should not be underestimated: in past decades, there has frequently been a debate about the longevity of American power, and that debate is now—essentially—over. American global preeminence faces no near-term challenge, and the bilateral relationship between Canberra and Washington is seen in Australia as an opportunity rather than as a threat.

Some Australian officials also view American primacy in ways that suggest an important revaluation of the international environment has taken place. The belief that the global system can be managed by mechanisms of inclusion, such as the UN, is now less accepted among Australian policymakers. The events of September 11, and the subsequent bombings in Bali on October 12, 2002, have been important in driving Australian leadership perceptions away from idealistic visions of the global system and towards more hard-headed and realistic assessments.

Of course, the events of September 11 have also generated a new set of security concerns related to political instability. American determination to respond to terrorist groups that threaten its vital interests is not in dispute. Australian policymakers see a new focus and commitment to the projection of American power; a new strategic purpose to Washington's global engagement that will—over the medium term—lead to a substantial repositioning of American forces and facilities at both the global and regional levels. This committed America will be a more demanding ally for Australia. But among Australian policymakers there is an acknowledgment

that the comfortable, reactive, responsive strategies of the Cold War are no longer appropriate for the new strategic environment.

Alongside the transformed strategic environment, Australia's renewed engagement with its Western alliance partner owes much to the position of Prime Minister Howard in the domestic political milieu. The political leadership's commitment to the "new light" illuminating the alliance relationship is undoubtedly stronger than the broader public's commitment. The public at large supports the alliance, but hesitates regarding its future directions and is uncertain about the implications for Australia.[28] By contrast, Howard seems willing to devote his energies and resources to reconfiguring the alliance for a new era, and capable of bearing the political risks that such a course will entail.

Some Australian officials also speak of Australia's continuing impressive economic growth as an important determinant of a larger strategic role. As the Australian economy continues to show good growth figures over a long period, when many of the world's major economies have been stagnant, it has offered Australian policymakers both a larger sense of Australia's role in the world and the resources necessary to underpin an expanded role. The Australian intervention in East Timor in 1999 constituted a harbinger of that larger role; in the post-September 11 world an expansive policy of Australian global and regional engagement—in Afghanistan, Iraq, and the Solomon Islands—is even more evident.

All of these factors have been important in driving Australia towards an energetic level of strategic engagement, made more noticeable by the hesitancy of other, larger, Western allies to become part of the coalition of the willing in Iraq. This heightened level of engagement, however, has brought into sharper and more contentious relief the doctrine, force structure, and procurement plans currently underlying Australian defense policy.

Strategic Doctrine.

At the doctrinal level, the move by Australia towards becoming a "global" ally rather than merely a regional one has reignited a long-standing debate about the proper focus for Australian security

thinking. Since at least the Dibb Review of 1986, important parts of Australia's strategic doctrine have emphasized a "concentric circles" approach to Australian security and defense priorities. Under that model, the Australian homeland constituted the first and most important "circle" for defense planners. The near region—reaching out to about Singapore—fell within the second circle. Further "circles" moved progressively outwards to embrace Northeast Asia and the Middle East, and even more distant parts of the globe. Central to the concentric circles vision of Australian defense was a principle that geography was a key determinant of strategic importance, and that the proximity of a threat to the continental landmass determined— broadly—the priority to be accorded the threat.[29]

The doctrine assigned priorities for a particular purpose: it provided the basis for defense planning, shaping the ADF, and guiding procurement. Because the sea-air gap to Australia's north was seen as offering a critical "moat" that would complicate the task of any invader, naval and air assets were treated as providing key capabilities for interdiction.[30] The army was reduced to the role of a "goal-keeper":[31] it had to be capable of defeating small-scale incursions that succeeded in establishing beach-heads on the continent, but it was actually seen as the least important of the three services. Army chiefs were reduced to arguing about the importance of island-seizure within the sea-air gap as a critically undervalued component of defense planning.[32] Peter Leahy has written of the consequences for Australia's land force of the Defense of Australia approach: "we gradually lost strategic agility; our units became hollow; and our ability to operate away from Australian support bases declined to a dangerous degree."[33]

The entry of global terrorism to the agenda of the ADF, and the new pattern of alliance engagement to counter political instability, have forced a revaluation of doctrine, planning, and procurement. Defence Minister Senator Robert Hill publicly indicated that such a revaluation was under way in a seminal address to the Australian Defence College in June 2002, when he suggested that the concentric circles approach to thinking about Australia's defense was outmoded.[34] Hill has been more explicit about this point than other ministers, in part perhaps because he has held the Defense

portfolio for only a brief period of time. All of the other ministers who sit on the National Security Committee of Cabinet—the Prime Minister, Deputy Prime Minister, Foreign Minister, Treasurer, and Attorney General—were members of the committee during the writing of the *2000 White Paper on Defence*, and had a close role in setting the tone and direction of that document. Still, the committee has shown increasing divisions over defense policy since the September 11 events, so Hill was hardly a lone voice in arguing for a reconceptualization of Australian defense.[35]

Constraints.

What are the major constraints to the future of the alliance? Here it is important to remember the earlier definition of the key drivers of the reinvigoration of the alliance: more proactive Australian strategic behavior, sustained Australian economic growth, the intensification of international unipolarity, the impact of September 11, and John Howard's domestic political strength.

During 2002-03, Australian forces have been deployed to 14 different intervention and peacekeeping operations in the world, including Bosnia, the Middle East, and the Asia-Pacific. Australia has dispatched 1,500 troops to the Solomons, still retains around 1,000 personnel in East Timor, and "has more troops and police in more places in the Asia-Pacific region than at any other time—in roles that include combat, policing, monitoring, and training."[36] Continued strategic cooperation raises Australia's standing in the eyes of its American superpower ally, but also raises expectations. Comments by Armitage and other American officials about Australia's new "global" defense role signal a possible tendency by Washington to assign its comparatively small Pacific ally too much credence as a military power and to generate excessive pressure for Australia to participate in every substantial coalition operation that the United States undertakes in a post-September 11 world. Reports of Australia resisting U.S. pressure exerted during mid-2003 to contribute to future Iraqi peacekeeping operations illustrate the physical limitations upon such a strategy of proactive engagement.[37]

A second impetus for a larger security role was a stronger

Australian economy, and that must also be seen as a constraint. Expanded ADF deployments entail budgetary difficulties and procurement challenges for the ADF. ADF operational demands have commanded an increased share of the total defense funding base as combat-oriented force imperatives increasingly outpace support requirements (by early 2003 the ratio was about 65:35—a major shift from the two-thirds support budgets pursued during the mid-1990s).[38] In August 2003, the Australian Defence Department reported a projected $12 billion funding shortfall in its long-term capital equipment program over the decade to 2010—a factor that has led independent commentators to conclude that the $50 billion defense capability program originally outlined in the *2000 Australian Defence White Paper* is "undeliverable, unaffordable, and uncertain."[39]

The Australian defense budget might still have some upside in it, but it must reflect the overall health of the Australian economy. Defense spending as a percentage of gross domestic product (GDP) is still low, in part because the defense increases outlined and approved in the *2000 White Paper* have been affordable from GDP growth. But the government is cautious about any dramatic long-term increase in defense spending, uncertain of the actual level of public support during a decade when the nation's "baby boomers" will be starting to move into retirement and impose higher costs on welfare budget items.

The third and fourth drivers—the intensification of international unipolarity and the impact of September 11—combine to form a further policy constraint. Australia is at pains to shake the "deputy sheriff" image it accrued throughout much of East Asia during the East Timor campaign. Its participation in the coalition of the willing's campaign against Iraq in early 2003 will only intensify that image in the eyes of various Islamic groups in Southeast Asia and elsewhere that are highly critical of American power and policies. One Australian academic has argued that a primary assumption in Canberra—that "it is merely common sense to cling tightly to the coattails of the most powerful state in human history as it seeks to right the wrong done to it after September 11"—is offset by more globally widespread ambivalence about the wisdom of a strategy of

asymmetrical warfare. Australia must pursue a foreign policy that is "precise, coherent, and decisive" and "must think seriously about the negative and dangerous implications of [its] association with the U.S . . . while maintaining a pragmatically useful relationship."[40]

The fifth and final constraint relates to prospects for leadership change in Australia that could disrupt or reverse the marked strengthening of Australian-American alliance ties over the past few years. John Howard is already 64. His time left at the top of Australian politics is limited. His logical successor, Treasurer Peter Costello, is a solid figure and a long-term member of the National Security Committee of Cabinet, well-versed in the key issues of Australian security. But the loss of Howard at the policy helm would still be noticeable. Costello, in the days immediately after the Bali bombings in October 2002, was the Cabinet minister who spoke out publicly in favor of a closer Australian engagement with Asia, at a time when some of his colleagues were warning that Southeast Asia had become a more difficult and dangerous place for Australians.

Perhaps even more worrying on the political front is the absence of any major leader—with the exception of ex-leader Kim Beazley—in the ranks of the Australian Labor Party, currently in the opposition, who champions the alliance. Among the younger generation of Labor leaders coming up through the ranks, there are few who might provide the party with the long-term commitment to the bilateral security relationship with Washington that Bob Hawke and Kim Beazley extended during the 1980s. Labor's Shadow Foreign Minister, Kevin Rudd, is a possible exception. In a comprehensive article on ANZUS appearing in Australia's major international relations journal 50 years after the founding of the alliance, Rudd concluded that "ANZUS continues to be of central relevance to Australian interests for the foreseeable future."[41] But Rudd has also criticized the Howard government over alleged excessive reliance upon the alliance as "the single pillar" for Australia's national security policy, and insisted that Labor's security policy would be built upon "three pillars": the alliance, the UN, and a policy of comprehensive engagement with Asia.[42] The "three pillars" argument is typical of Labor's approach to the alliance in the 1980s and 1990s and, as Paul Kelly has noted, may now suggest an enduring attachment to an

older understanding of the alliance rather than to the reinvigorated relationship.[43] Although Rudd was able to distinguish between Australia's "adherence to the alliance and engagement with the [Asian] region" as not "mutually exclusive propositions," a number of his Labor colleagues have been less prone to recognize this policy nuance.[44] In short, bipartisan support for Australian security policy, if not carefully nurtured, could well decline, and it will not be possible to shield the ANZUS treaty from such a trend. Indeed, for some of its most strident critics, disparaging the alliance represents a target of opportunity too good to miss.

Australia's overall strategic policy direction bodes well for the future of ANZUS. Its shift from a concentric circles posture to one reflecting a more balanced approach between global and regional contingencies, many of which involve asymmetrical threats, is compatible with the U.S. force structure reorientation toward fighting more low intensity conflicts against hostile nonstate actors and occasional mid-to-high intensity conflicts against "rogue states" or other anti-Western forces.[45] Australia's new proactive defense identity in Southeast Asia and the South Pacific and, even more centrally, its willingness to participate in American-led military coalitions even without UN support, correlate directly with traditional American concerns about allied loyalty and defense burden-sharing. Latent policy hazards such as leadership disillusionment or economic pressures could yet create future ANZUS crises. Over the near-term, however, such developments appear unlikely as the nature of currently emerging threats predicate closer rather than qualified security cooperation among the world's developed states and as Australia endeavors to reconcile its international security objectives with finite resources and capabilities.

SECTION III. FORCE STRUCTURE RAMIFICATIONS FOR THE ADF

As Australia's doctrine of concentric circles has begun to break down, so too has any national consensus on force procurement. The GWOT has re-opened issues of low-tech versus high-tech options for Australian force planners. It has also rendered uncertain the carefully negotiated 10-year procurement plan that the *2000 White Paper* had

tried to lock into place. In particular, it has helped to reposition the Australian army against its service rivals, the navy and the air force. The more political instability has become identified as the key threat to Australian security, the more the perception has grown that the answer to political instability is essentially a larger and more capable land force. More "grunt on the ground," as one media commentator put it,[46] would offer advantages in offsetting political instability that are simply unattainable by aircraft operating at thirty thousand feet. As a direct result of that belief, Australian ministers have begun to see a much higher level of future dependency upon the service that was short-changed for 20 years under the old doctrine.

That new level of dependency was reflected in the key decisions of the government's *Defence Capability Review*, released on November 7, 2003. The Review affirmed that the defense of Australia and regional requirements would remain the primary drivers of force structure, but identified a range of capabilities necessary to strengthen the army's effectiveness, sustainability, and deployability. One media defense correspondent observed that "the big winner from the review is the army which will now get the firepower, air-mobility and network-centric communications it considers essential for 21st cetury warfare."[47] While the Review confirmed major naval and air procurement plans, the public debate in the months preceding its conclusion suggested important divisions within cabinet on many of the central issues. The Treasurer, for example, was warning in August 2003 that the Joint Strike Fighter was not yet a "done deal," and stating that the Collins-class submarines would never have been built if Australian defense planners in the 1980s had foreseen the crises in East Timor, Afghanistan, Iraq, and the Solomon Islands.[48]

How might the shape and size of the Australian army change in coming years? Some officials and analysts posited a minority opinion that the government ought to consider a 50 percent expansion in the size of the army (to nine brigades from its current six). Others would be happy with a six-brigade army that achieved proper manning levels. The argument for a larger army relates to land forces' increased responsibilities in an era of intensified terrorism and heightened prospects for Australian ground forces being deployed to intervention missions within and beyond

Australia's immediate region. The government's May 2003 decision to assign 1,200 reservists to a new Reserve Response Force designed to react quickly to terrorist strikes and contingencies illustrates the manpower problem incurred by a regular army force of about 26,000. That force currently deploys five line infantry battalions (of approximately 750 soldiers each), one commando battalion, and one SAS regiment.[49]

An expanded SAS is virtually inevitable, given factors of increased troop fatigue accumulating with short intervals between intervention missions. In mid-2003, the ADF was authorized to recruit an extra 150 SAS troopers and 550 support staff by 2006, including the recruitment of qualified civilians for the first time to fill the ranks.[50] But opinion remains divided about the wisdom of placing too heavy an operational tempo upon a small, select contingent within the larger army. Some critics noted that special forces should be considered to be the "vintage wine" in the wine cellar, and that resort to their skills should be limited to special occasions.

The official line of the Howard government is that Australia has been and remains capable of deploying a brigade on extended operations within that country's "immediate region," while simultaneously deploying a battalion group to another contingency offshore or to more distant points. The Army has responded to this directive by adopting a littoral maneuver concept as part of its transition from a continental to an offshore force. Maneuver Operations in the Littoral Environment (MOLE) forms part of the Future War Fighting Concept released in May 2003. Army Chief Peter Leahy has argued that the MOLE concept requires land forces "structured . . . for military success across any likely spectrum of future conflict," and thereby allows the Army "to address the physical defense of Australia, the defense of our immediate neighborhood and support for our wider interests, as fluid elements of a single strategic problem."[51] The Future War Fighting Concept, in turn, is intended to achieve a "Seamless Force" by the year 2020: a highly integrated and fully operational state between Australia's three services (Army, Navy, and Air Force).[52]

Even more contentious is how the land component of the

ADF can best be shaped into what General Leahy has termed a "hardened, more robust and deployable Army."[53] Decisive firepower and maneuverability at close quarters will be the key to winning future asymmetrical wars, often fought on complex terrain such as urban areas (the so-called "three block war" scenario where deployed troops face different challenges across three urban blocks) or in environments where combat missions will be combined with humanitarian ones. There is little doubt that "networked systems" of infantry, armor, artillery, and air support—combined arms capability—is the key to meeting such a challenge. But there is much debate about what is the right combination for such a capability to reach its optimum effectiveness in this type of warfare, particularly when working with other coalition forces.

Interoperability and Future Procurement.

Realizing the vision of an ADF Seamless Force relates directly to issues of interoperability. Clearly patterns of interoperability established during the Cold War are in transition. In the Cold War the focus of Australian-U.S. cooperation was with the U.S. Pacific Command (PACOM), and the Asia-Pacific region was viewed in Washington's eyes as essentially a naval and air theatre. The U.S. Army was committed to Korea, but the broader nature of American engagement was typically via the Marines in Okinawa, and Subic Naval Base and Clark Air Force Base in the Philippines. The U.S. Army, which went backwards out of Vietnam, adopted a Eurocentric focus. That focus, along with the sheer size and scale of U.S. land forces, and the "goalkeeper" role of the Australian army under the concentric circles doctrine, inhibited interoperability between the Australian army and its American counterpart. Of all three services, the land forces were the service where interoperability was underdeveloped by Cold War experiences.

Even now, Australian officials are hesitant about the extent to which they should even try to enhance interoperability between the two countries' armies. The U.S. Marines are more commonly seen as the natural partner for the Australian army, in part because of the history of cooperation during World War II, but also because the

Marines' natural island and littoral focus, and the structure of their units, offer greater opportunities for Australian contribution than do the large, heavy forces of the U.S. Army. A major point in several of the interviews conducted for this monograph was a concern that American regular combat and support units are at times too slow or ponderous to deploy in situations where adversaries take the initiative in concentrating firepower against lightly manned and deployed coalition elements. This is related, in part, to the difficulties that interoperability with U.S. forces imposes upon Australian forces. Australian forces have long trained to be interoperable with the predominantly maritime PACOM, but found that in the largely land-centric environment of the U.S. Central Command (CENTCOM), PACOM procedures did not suffice. Australian forces came out of Iraq aware that they had not yet achieved a seamless blend with the forces of their major ally—and that their ally's central commands had not yet achieved a seamless blend with each other. Still, Defence Minister Hill has recently made clear that interoperability is one of the government's highest priorities.[54]

As Leahy has noted, the 2003 Iraq campaign was successful as a coalition operation primarily because of force multipliers being realized through "real time access [by agile ground forces] to supporting fire." Timely introduction of U.S. and British armored and infantry fighting vehicles was critical in protecting Australia's force mobility and providing close support to the ADF in various terrains.[55] This has less to do with force configuration, however, than with force maneuverability and lethality. Australian officials often seem daunted by the sheer scale of the U.S. Army. Yet Australian force planners have few problems in contemplating joint operations with the U.S. Air Force or Navy, which are also large organizations. One Australian observer has noted that although "it might not be entirely clear how services as different as the U.S. and Australian Armies will cooperate in the future . . . it is clear that they will have to learn to do so."[56]

An important determinant of interoperability at the regional level will be the contribution made by Australia's intelligence collection and assessment agencies. They will need to be able to provide the sorts of data flows that permit the projection of military capabilities

and the application of network-centric power. Australia has long had a recognized position as a key intelligence hub in the Southwest Pacific and in Southeast Asia. To maintain that status and to enable intelligence to be a force multiplier in its local region, Australia will need to maintain the requisite level of investments in its intelligence communities.[57]

Entangled within the broader issue of interoperability is the difficult issue of procurement. Procurement was a major issue emerging from our interviews. The future of the armored capability within the Australian army was raised consistently. Although the *2000 Defence White Paper* foreclosed tank acquisitions, Australia's ageing LEOPARD tanks acquired in 1976 have needed replacing for years. The question of a tank replacement has now become emblematic of the debate about the future of the army. Retention of a seed-bed for developing armor skills among Australia's soldiers is important to the future of the force, as it points to the long-term future of the ADF's land capability as something other than a glorified police force. Already the majority of Army's officers have little experience in combined arms warfare. One lieutenant colonel has written only recently of the loss of this skill among a generation of his colleagues.[58]

Among the advocates of a replacement for the LEOPARDS, the preference is for an armored capability at the heavier rather than the lighter end of the range. From their own tests, Australian army officers are not drawn towards light-tank options, seeing them as vulnerable in specific situations and operationally indecisive. Either the new LEOPARD 2 German battle tank or the American M-1A2 counterpart appears to be the preferred weapon. However, concerns projected by the air force and navy that a decision to procure such tanks would affect their own chances for procuring Joint Strike Fighters (JSFs) or Air Warfare destroyers could undercut army procurement aspirations at a time when Australia's defense budget deficit looms as increasingly critical.[59] Under such conditions, leasing arrangements may become more appealing to a cash-strapped ADF. Still, the recently released *Defence Capability Review* accepted the need to replace the ageing LEOPARDs, and suggested that the government would prefer to purchase a replacement rather

than to lease such a critical capability.

Australian policymakers are also acutely conscious of the lessons to come out of Iraq, in particular the high value to be placed upon network-centric warfare. Australian military leaders were impressed by the synergies of force that networking allowed, enthusiastic about the new application of individual communications links and "blue-force trackers," and have begun to contemplate the future use of such capabilities by their own units. It is likely that in the aftermath of the conflict, and in the context of the Capabilities Review, Australian strategic planners will be drawn into an increasing reliance on high technology force multipliers, and a much greater application of network-centric warfare. If that proves to be the case, opportunities will expand to increase ADF interoperability with U.S. forces.[60] Australian leaders already seem to have decided that unless there are compelling reasons for redirecting individual procurement decisions to other suppliers, it would make sense for Australia to take advantage of U.S. willingness to supply high-technology equipment to a trusted ally. If this policy is followed for a number of years, it will both enhance interoperability and make the security relationship between the two countries even closer.

Current Australian procurement dilemmas must be seen against a broader strategic backdrop. Australian defense forces were already confronting a major problem of bloc obsolescence before the events of September 11. This was in fact one of the key issues confronting the drafters of the *White Paper* in 2000, and has not changed during Australia's shift from a less continental to more global defense posture. Many of Australia's major weapons systems are scheduled for retirement and/or replacement in the next 10 to 15 years. For some key assets, such as the F-111 aircraft, which are devouring a disproportionate share of the air force's maintenance budget, retirement dates might even be brought forward from those considered appropriate during the drafting of the *White Paper*.[61] Other key ADF asset requirements, such as greater indigenous lift capabilities (either military or co-opted civilian units), have become more urgent since the *White Paper*.

How these challenges will be overcome remains uncertain on the basis of current funding trends. The *White Paper* approved a A$12.8

billion increase in Australia's defense spending between 2000 and 2010 and the 2003-04 defense budget totaled A$11.7 billion—a $776 million increase over the previous year. This included a $396 million increase in capital equipment projects, primarily related to new tanker aircraft, aircraft electronic self-protection equipment, petrel mine and obstacle avoidance sonars for ANZAC-class frigates and $20 million for the Joint Strike Fighter program.[62] But the Australian government foreshadowed possible cutbacks in the number of Joint Strike Fighters that Australia may eventually purchase from 100 to around 30, and indicated it had no plans to increase overall defense spending beyond 1.9 percent GDP. The Australian Strategic Policy Institute, a government-funded think tank headed by Hugh White, called this approach the "death of a thousand cuts," arguing that defense management practices had to be improved and that hard choices regarding the ADF's future niche capabilities inevitably would have to be made.[63]

At least two broad implications can be drawn from the above discussion. First, despite boasting the world's 15th largest economy and a successful tradition of "punching above its weight," Australia's capacity to fund a comprehensive and modern force structure will be tested severely in the rapidly changing international security environment. In this context, increased jointness in coalition warfare strategy will enhance opportunities to strengthen the ADF's interoperability within its own multi-service framework and with allied forces. Land force capabilities enhancement will further facilitate Australia's willingness to participate in future "coalitions of the willing" with the United States, but these capabilities will be constrained by persistent shortages of the SAS personnel, lift capabilities and close-in fire support systems increasingly required to fight asymmetrical wars. Sustained doctrinal controversy is likely to result from this policy dichotomy.

A second implication flows from the first: Australia's ability to be a meaningful contributor to future global operations will rest upon its willingness to sustain a relatively wide array of force capabilities for a country of its size and natural strategic reach, and to accept that the quality of the networked forces of the combined participants will be a key determinant of conflict outcomes. If future Australian governments modify or revise John Howard's resolute

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determination to maintain his country's status as a key U.S. ally that can play a meaningful role in international security, Canberra could well revert to a more continental defense posture, reminiscent of the 1980s and early 1990s. A "worst case" outcome—but one that is not at all likely—would see the problems of force structure and procurement become sufficiently overwhelming that Australia embraces a "strict constructionist" Pacific Doctrine and emulates New Zealand's policy of turning inward on the basis of geography and geopolitical orientation.

SECTION IV. AMERICA'S INTERESTS AND THE FUTURE OF ANZUS

Much of what Australia does will be shaped by how its senior American ally perceives and interacts with Australia in an alliance context. As part of a comprehensive shift in its global force structure and deployments, the United States is moving away from seeing Asia just as a maritime theater. It is also moving away from the structure of its Cold War presence, which saw U.S. deployments focused on the Northeast Asian region because of the imminence of threats to Japan and South Korea. Experts now expect that "America's role in the region and its military posture there will look very different at the end of this decade than they did at the start of it."[64] So too will its basing structure change in important ways. American commanders increasingly refer to "lily pads" or "warm bases": small, lightly staffed facilities for use as jumping-off points in a crisis and outfitted with the military supplies and equipment to be used by U.S. rapid deployment forces or heavier elements.[65]

In part those changes will arise from the dynamics of Asian evolution, within which Japan may become less important as a regional player (due to factors of demographics and economics), even as it pursues a more "normal" strategic posture via constitutional revision. China will become more important. South Korea's continued economic growth is transforming the long-term strategic contest on the peninsula. And the war on terror has also refocused Washington's attention on the large Muslim-population countries in Southeast Asia.

American security analysts are now much more impressed by

the sheer diversity of tasks that confront U.S. strategic planners in Asia. Those tasks include:

- preventing the emergence of a dominant hostile great power in the region;
- deterring or countering aggression or coercion against U.S. friends and allies;
- defeating terrorist organizations hostile to the United States;
- preventing state failure and internal conflict; and,
- preventing the proliferation of WMD.[66]

Those tasks imply a wider geographical spread of U.S. military assets in the Asia-Pacific region than was common during the Cold War era, when doctrines of containment kept the United States focused on the Northeast Asian sub-region. In consequence, U.S. security analysts—both official and academic—have already begun to contemplate a new "shape" to the U.S. presence in the region, a reconfiguration that would offer greater flexibility in addressing such challenges.

Central to that new configuration will be an ability to cope with the sheer vastness of the Asian region. Planners point to the "order-of-magnitude difference in geographic scale" between Asia and Europe.[67] Even allowing for the new capacities that advanced technologies provide to project power over vast distances from U.S. home bases, Asian geography constitutes a barrier to the easy application of U.S. military power. Most potential areas of conflict are far from current U.S. bases, and some are deep inland.[68] Moreover, not all Asian nations could offer the Americans the facilities that might help to overcome that geographical barrier. In some places, paucity of economic infrastructure would offset any gains from increased access. In others, Muslim-dominated societies might pose particular social challenges for a heightened American presence.

So as the United States settles into its new configuration of military deployments, greater cooperation between Australian and American forces will likely be one of the options that U.S. security planners will want to explore. Press speculation in the *Los Angeles Times* in May 2003 about a reallocation of the U.S. marines in Okinawa to northern Australia seemed premature.[69] But Paul Wolfowitz made clear during travels within the region in June that key decisions still

needed to be taken on such matters.[70] More recently, the Howard government has begun to signal to the Australian public that it expects Washington's reconsideration of its basing requirements might result in a proposal for some kind of U.S. basing activity in northern Australia.

U.S. bases, in the strict sense of that term, might be politically difficult for Australia to digest. In that strict sense, U.S. military forces have not been "based" in Australia since World War II, and it might require Australians to believe that a similar level of insecurity now characterized the current environment before they believed that such arrangements were necessary. Without such an acceptance, the establishment of U.S. bases in Australia would risk exacerbating the current partisan divisions over the military relationship between the two countries. A strategy would be required for careful management of the issue. A substantial level of Australian involvement in any "bases"—similar to that in the current joint facilities—would be integral to building political support for such an arrangement. Much would also depend on the actual nature of such "bases." "Lily pads," for instance, which offer rights of passage rather than rights of permanent occupation, might be more attractive to both countries than some other options.

What Does the United States Expect from Australia?

Pentagon planners will be anxious not to disturb current patterns of cooperation that the United States already enjoys with Australia. For some years now, under existing force structure and strategic doctrine, Australia has been able to provide to the United States a range of capabilities that have been both welcome and appropriate to the tasks confronted. Even on the land force side, Australian capacities to provide special forces, hospital units, communications units, and air-traffic controllers, for example, have allowed Canberra to play to its niche capabilities in its alliance role. Even were Australian land forces to take on a greater combined-arms capability, it is not obvious that Australian policymakers would be rushing to offer an armored brigade for an alliance task. Some officials in Canberra believe that Australia can already provide a sufficient range of cooperative military options to Washington, and

that it will not be under pressure to offer a significantly increased range of options in future years.

Others say that Washington is looking for a range of post-9/11 security partners to carry more of the security burden, because even a unipolar power's military forces can only perform a limited range of tasks simultaneously. In Australia's case, this means sustaining a heightened strategic profile in the so-called "arc of crisis," ranging from Indonesia to the north and northwest to the area rife with failed or failing states in Melanesia. While Polynesia and the broader South Pacific are also of concern to Canberra, New Zealand is still the most likely power capable of projecting light peacekeeping forces into that region, and is the logical spearhead for future stabilization operations that may be required. New Zealand's *Defence Policy Framework* (June 2000) reiterated Wellington's constitutional responsibilities for the defense of the Cook Islands, Nuie, and Tokelau; for providing defense assistance to selected South Pacific states; and for surveillance of those countries' economic enterprise zones (EEZs).[71] The United States will have an interest in Australia's and New Zealand's closer defense relations partnership development to enhance South Pacific security. The Solomon Islands contingency represents a test case in this regard.[72]

Peninsular Southeast Asia remains a sector of critical concern for American force planners increasingly preoccupied with managing a U.S. Army stretched more and more thinly throughout the Persian Gulf, Europe, and Northeast Asia. Here Australia can be most relevant to U.S. counterterrorism objectives by coordinating with ASEAN governments and policing infrastructures in the areas of intelligence sharing, offshore patrolling, and forced migration. The role of the Australian Federal Police (AFP) in facilitating Indonesia's arrest of the Bali bombers was a model of regional counterterrorism at work. According to those interviewed, this precedent could be readily extended to cover the Philippines and Thailand. Australian and Singaporean intelligence coordination is also substantial. More effort is needed by Canberra and the ASEAN states, however, to build up multilateral venues of cooperation to levels where they can complement and strengthen the already well-established bilateral ones. A major challenge will be the extent to which Australia can become an integral player in ASEAN's new counterterrorism centre

recently established in Kuala Lumpur and, as importantly, to what degree that centre will assume a credible function in Southeast Asia's overall counterterrorism campaign.

Preventing WMD proliferation relates closely to Australia's relations with Northeast Asia and, more specifically, with North Korea. Unlike Washington, Australia has normalized relations with the North (in May 2000) and, since early 2001, it has been more consistent in supporting dialogue between North and South Korea than has the Bush administration. But it has also been forceful in pressuring Pyongyang to dismantle its nuclear weapons program and to submit to international verifications as a safeguard against that program recommencing. Following North Korea's revelations about its ongoing nuclear weapons program, disclosed to U.S. negotiators in October 2002, Australia sent a high-level delegation of its own to Pyongyang to press for nuclear disarmament and to reassure North Korean officials that the United States had no intention of invading the DPRK.[73] Australia is also a charter member of the Proliferation Security Initiative (PSI) designed to preclude the North Korean transfer of nuclear materials or missiles over the region's waterways. This enforcement posture is extended to other aspects of international security. In April 2003, for example, Australian Defence Special Operations Forces seized a North Korean vessel, the *Pongyu*, near Newcastle in an anti-narcotics smuggling operation.

Most of the Australian policy officials and analysts interviewed for this monograph believed that, if a new Korean War were to erupt, Washington would expect their country to contribute a more substantial force than the one Australia deployed to Iraq in early 2003. F-111 and F-18 combat aircraft, air-to-air refuellers, and P3C maritime surveillance aircraft would all play a leading role. At least part of Australia's Collins submarine force would be enlisted for duty, as would special forces and even other selected land forces.[74] While evacuation of Australian civilians would be desirable, it seems unlikely that a "bolt out of the blue" North Korean strike against Seoul would leave much time or opportunity for Australian forces to do much more than support U.S. operations designed to bring in troop reinforcements and relevant weapons systems as rapidly as

possible.

Prospects for a future Sino-American strategic confrontation over Taiwan remains the most difficult long-term scenario for Australian policy planners. China is a key trading partner and an increasingly influential strategic actor in Australia's own region. However, it could never take the place of the United States as Australia's major ally due to enduring differences in culture, identity, and values. The ideal outcome is for Australia never having to "choose" between China and the United States; indeed, each great power has warned Canberra that it would expect neutrality or outright support, respectively, if any such contingency were to arise.[75] Ultimately, Australia would side with the United States in any such conflict, but its influence with China and other Asian states in its aftermath would almost certainly be seriously compromised.

Among U.S. officials little prospect is entertained for a more systematic or closer Australia-Japan security relationship materializing any time soon. Low-key official talks—the U.S.-Japan-Australia Strategic Dialogue—commenced in 2003 (with the U.S. Deputy Secretary of State meeting his counterparts in one of the three countries' capital city), but the topics covered have more to do with global security issues (WMD and Iraq's economic recovery) than with building an intrinsic trilateral security relationship among the participants.[76] To a much greater extent than Australia, Japan feels constrained in developing an independent, highly visible strategic profile for fear that, in doing so, it could encourage the Americans to rely upon a more "normal" Japan to assume a comprehensive regional defense burden. The vision held by some American neo-conservatives of an "Asian NATO" or "JANZUS" that was noticeably weighed at the outset of the Bush administration will continue to languish in the "too difficult" basket for some time.[77]

In summary, it is very likely that the United States and Australia will agree to incremental measures for intensifying alliance collaboration in specialized areas such as more frequent visits of American combat aircraft and vessels to Australian bases and ports, larger-scale combined/joint exercises, and expanded cooperation in such technology sectors as missile defense, unmanned aircraft and communications systems.[78] It is much less likely that Australia

will provide permanent bases for American forces earmarked to respond to future Pacific conflicts, due to distance, lack of adequate infrastructure and political sensitivities. Barring the improbable scenario of a Sino-American conflict over the next decade or the introduction of a "sea-change" development along the lines of September 11, ANZUS will not generate overly arduous demands on Australia flowing from "excessive" American expectations about what Australia can or will do.

CONCLUSION

The past 4 years have seen Australia and its major ally establish a rhythm and cadence to their pattern of security cooperation that truly justifies characterizing the ANZUS alliance as a "reinvented relationship." Levels of security cooperation between the United States and Australia are already so high that it is difficult to see how they might get even higher in years ahead. This is particularly the case because of the constraints that we have identified within the current arrangements: constraints that include a range of political, economic, and international factors.

Yet a more intimate relationship is possible. The theme of defense self-reliance has been superceded by events and new thinking in Australian security policy. The theme was instrumental in allowing Australia to cast off its dependency on great and powerful friends in the 1970s and 1980s, but strategic interdependence is an increasingly sound strategic recipe for the challenges of the 21st century. The ANZUS alliance will remain central to Australian security policy for three key reasons: the nature of the emerging security threat which is asymmetrical and global; Western defensive technological evolution towards network-centric warfare; and the inability of autonomous security policies and "orphan" capital equipment to provide a competent defense even of continental Australia. Rather, we expect a doctrine of interdependence must play a larger role in Australian security policy.

Such essential interdependence will clearly pose serious tests for Australian policymakers, in large part because self-reliance previously assumed such a prominent position in the Australian

strategic lexicon. It makes more necessary the nurturing of a greater level of bipartisanship within the Australian body politic about the advantages of interdependence and the imperatives of good alliance management. The payoff of such an effort will be sustained ANZUS credibility and viability—an outcome that should advantage both countries' ability to anticipate and confront those contingencies that will inevitably emerge to challenge their shared aspirations and their security.

ENDNOTES

1. Paul Dibb, "The downside of being too close to the US," *The Age* (Melbourne), July 26, 2003.

2. Kelly, "All the world's a stage," *The Weekend Australian*, July 26, 2003, p. 17.

3. As noted by one Australian policy official in an interview with the authors on July 8, 2003.

4. See "Major Theater War," *Global Security Organization* at *http://www.globalsecurity. org/military/ops/mtw.htm*. Accessed in August 2003.

5. *Defence White Paper 2000*, Canberra: Commonwealth of Australia, 2000, p. 34. Accessed at *http://www.defence.gov.au* in August 2003.

6. "The Government's Defence Policy Framework—June 2000" at The Ministry of Defence, New Zealand, *http://www.defence.govt.nz/public_docs/defpol-fmwrk%20.shtml*. Accessed in August 2003.

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9. See John Blaxland, "Information-era Maneuver: The Australian-led Mission to East Timor," Working Paper No. 118, Canberra: Land Warfare Studies Centre, June 2002; and the International Institute for Strategic Studies, *Strategic Survey 2002-2003*, Oxford and London: Oxford University Press for the International

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Institute for Strategic Studies, May 2003, p. 18, which notes that network centric warfare (NCW) gives modern military forces a major battlefield advantage "by interconnecting widely dispersed commanders, sensors, weapons and troops through a robust information network that would allow participants to develop a shared awareness of the battlefield and pass commands more rapidly than the adversary." Such a process denied the Taliban in Afghanistan and Iraqi forces opposing U.S., British and Australian forces in Iraq the ability to sustain organized combat resistance.

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11. *Ibid.*

12. As cited in Leon T. Hadar, "East Timor and the 'Slippery Slope' Problem," *Foreign Policy Briefing* (CATO Institute), December 20, 1999, p. 10. Also see David Lamb, "Cohen Says U.S. Will Increase Its Forces Near East Timor," *Los Angeles Times*, September 30, 1999.

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14. "Strategic and Military Lessons."

15. Hadar, p. 6; and "U.S. Shifts Focus From Taiwan to Indonesia," *Stratfor*, August 14, 1999, at *http://www.stratfor.com/*.

16. Hadar, p. 8; and "A Rude Awakening: We're on Our Own" (editorial), *The Age* (Melbourne), September 11, 1999.

17. The DFAT denial was issued in a media release, "Press Articles On Australia-US Discussions On East Timor," August 2, 1999 at *http://www.dfat.gov.au/media/releases/department/d014_99.html*. For a more critical assessment, see James Cotton, "Against the Grain: The East Timor Intervention," *Survival*, Vol. 43, No. 1, Spring 2001, p. 132.

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Freedom—Order of Battle" *Global Security.org* at *http://www.globalsecurity.org/ military/ops/enduring-freedom_orbat-01.htm* (accessed in July 2003); "Australian forces in key mop-up role," *CNN.com/World*, September 4, 2002, at *http: //edition.cnn.com/2002/WORLD/asiapcf/auspac/09/04/special.afghnistan.australia/* (accessed in July 2003); and Audrey Young, "NZ team set for Afghan mission," *New Zealand Herald*, July 27, 2003. Australia deployed both fighter and transport aircraft while New Zealand deployed a C-130 Hercules to move personnel and supplies in and around Afghanistan.

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23. "Remarks by Richard L. Armitage, Deputy Secretary of State" to the Asia Society Forum, Australia-Asia Centre, Sydney, Australia, August 13, 2003, at *http: //usembassy-australia.state.gov/press/2003_0813_armitage_syd.html*. Accessed in August 2003.

24. The motives underlying the creation of ANZUS are documented exhaustively in Department of Foreign Affairs and Trade, *Documents on Australian Foreign Policy: The ANZUS Treaty 1951*, Canberra: Commonwealth of Australia, 2001.

25. For a more extensive argument along such lines, see William Tow and Henry Albinski, "ANZUS—Alive and Well after Fifty Years," *Australian Journal of Politics and History*, Vol. 48, No. 2, June 2002, pp. 153-173.

26. For example, Gary Brown, *Breaking the American Alliance: An Independent National Security Policy for Australia*, Canberra Papers on Strategy and Defence No. 54, Canberra: Strategic and Defence Studies Centre, 1989.

27. This judgment is implicit in the recent statement by the Defence Minister that how the United States uses its unprecedented power "will shape the world of the 21st century and beyond." The statement occurs in Hill's speech "U.S. Grand Strategy: Implications for Alliance Partners," delivered to the Defence and Strategic Studies Centre in Canberra on August 1, 2003.

28. During May 2001 the U.S. State Department's Office of Opinion Analysis Research polled Australians to measure the rate of satisfaction with that alliance. Of those interviewed, 92 percent thought alliance ties were in "good shape." In January 2003, just prior to the Iraq conflict, 51 percent of respondents to a Morgan poll thought American foreign policy had a "negative effect" as opposed to 31 percent believing it had a positive effect. If military action commenced, however, Morgan found a slight majority of Australian respondents favored Australian support of American military action, and this margin increased as the war progressed in March-April 2003. The data has been carefully tracked and interpreted by Murray Goot, "Public Opinion and the Democratic Deficit: Australia and the War Against Iraq," *Australian Humanities Review*, May 2003, pp. 5-6.

29. Paul Dibb, *Review of Australia's Defence Capabilities: Report to the Minister for Defence*, Canberra: Australian Government Publishing Service, 1986. Also see Gerard Henderson, "When defence goes around in circles," *Sydney Morning Herald*, July 16, 2002.

30. Alan Stephens, *Defending the air/sea gap: exploiting advanced technology and disproportionate response to defend Australia*, Canberra: Australia Defence Force Academy, 1992.

31. Peter Leahy, "A Land Force for the Future," *Australian Army Journal*, June 2003, pp. 19-28, at 23.

32. An argument along such lines is presented by Michael Evans, *The Role of the Australian Army in a Maritime Concept of Strategy*, Working Paper 101, Canberra: Land Warfare Studies Centre, September 1998, pp. 26-27.

33. Peter Leahy, "Land Force for the Future," p. 23.

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39. Australian Strategic Policy Institute, *Sinews of War: The Defence Budget in 2003 and How We Got There*, Canberra: ASPI, August 2003. In the Director's Executive Summary appearing at this report's outset, White argues that "(e)scalatory costs mean that we can't afford the capabilities sought with the funds set aside, and the changing strategic environment has sparked a debate about the force structure underlying it. Thus, as it stands, the DCP [Defence Capabilities Program] is undeliverable, unaffordable and uncertain." White calls for a "clear statement of strategic and force structure priorities" (p. 1). Also see Patrick Walters, "Defence shortfall of $12bn" *The Australian*, August 20, 2003.

40. Jim George, "Will the chickenhawks come home to roost? Iraq, US preponderance and its implications for Australia" *Australian Journal of International Affairs*, Vol. 57, No. 2, July 2003, pp. 235-240.

41. Kevin Rudd, "ANZUS and the 21st Century," *Australian Journal of International Affairs*, Vol. 57, No. 2, July 2001.

42. Kevin Rudd, "Once in the Gulf, troops are there to fight as the U.S. pleases," *Sydney Morning Herald*, January 16, 2003.

43. Paul Kelly, "Labor a victim of its past alliance success," *The Australian*, September 10, 2003, p. 11.

44. Rudd, "ANZUS and the 21st Century," p. 302. Prior to his unsuccessful challenge to recapture the Labor Party leadership in mid-June 2003, Beazley's close ties to the United States were seen "as a problem." When he was Defence Minister in the Hawke government, Beazley argued the virtues of the ANZUS alliance but the current sentiments of the Labor "right-wing" is more typified by Laurie Brereton, a former Shadow Foreign Minister and an industrial relations minister in the Keating government. According to Brereton,

> U.S. policy . . . is less about the threat of weapons of mass destruction than it is about redrawing the strategic map of the Middle East . . . It's about putting in place an [Iraqi] regime supportive of the U.S. military presence

... Where does Australia fit in all this? The short answer is we shouldn't fit in at all.

See Andrew Clark, "They Can't All Be Right" *Australian Financial Review*, March 22, 2003.

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49. International Institute for Strategic Studies, *The Military Balance 2001-2002*, London: Oxford University Press for the IISS, 2002, p. 185; and Greg Sheridan, "Big threats faced by tiny army," *The Australian*, May 31, 2003.

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Coalition forces face the risk of over-extension . . . Deployments required to police Iraq will strain already overburdened forces, hindering other potential missions and leading to morale and retention problems . . . Forces from reserve units . . . can ease the burden, but they raise political costs, as part-time soldiers are pulled away from their civilian jobs.

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